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UNITED STATES BANKRUPTCY COURT NORTHERN DISTRICT OF CALIFORNIA SAN FRANCISCO DIVISION

PG&E CORPORATION,

- and -

PACIFIC GAS AND ELECTRIC COMPANY,

Debtors.

☐ Affects PG&E Corporation

☐ Affects Pacific Gas and Electric Company

✓ Affects both Debtors

* All papers shall be filed in the Lead Case, No. 19-30088 (DM).

Bankruptcy Case No. 19-30088 (DM)

Chapter 11

(Lead Case) (Jointly Administered)

DECLARATION OF ANTHONY KEIR IN SUPPORT OF SUPPLEMENTAL PRELIMINARY **RESPONSE IN OPPOSITION TO** PHILIP VERWEY FARMS' ("PVF") MOTION FOR RELIEF FROM AUTOMATIC STAY TO EXERCISE SETOFF PURSUANT TO 11 U.S.C. §§ 362 AND 553

[Relates to Dkt. No. 1141]

Date: July 31, 2019 Time: 9:30 a.m.

Place: United States Bankruptcy Court

Courtroom 17, 16th Floor San Francisco, CA 94102

Case: 19-30088 Doc# 3216 Filed: 07/26/19 Entered: 07/26/19 14:41:46 Page 1 of

- 1. I am a Senior Law-Claims Investigator at Pacific Gas and Electric Company ("PG&E"). I file this declaration in support of PG&E's Supplemental Preliminary Opposition (the "Opposition") to the motion for relief from the automatic stay (the "Motion") filed by Philip Verwey Farms ("PVF"). The matters stated herein are based upon my personal knowledge, and if called as a witness I can and would testify to them on that basis.
- 2. My duties at PG&E include investigating and evaluating claims asserted against PG&E by customers, and attempting to negotiate a settlement of those claims where appropriate. I have five years of experience in this position at PG&E, and over that time have been personally involved in investigating and resolving a couple thousand claims. In the course of my duties, I was assigned responsibility for investigating and attempting to resolve the damage claim asserted by PVF that is the subject of the Motion.
- 3. PG&E disputes PVF's claims as to both liability and amount. Out of 61 customers affected by this outage, only three claims were presented, all three involved 3-Phase equipment. Had PVF had proper protection on its 3-Phase equipment, pursuant to Electric Rule 2.E. Tariff, they would not have sustained any loss. Further, this customer has not provided sufficient documentation to support the damages claimed, and the repair documents and demands they have provided suggest they are trying to make PG&E pay for upgrades to equipment, repairs with no depreciation considerations and interconnection charges/usage charges for Hanford Renewable Energy LLC, a completely separate entity. Moreover, their lost profits are solely based on forensic analysis, "subject to the accuracy of the information provided by the insured;" and, there is no breakdown of damages between the claimed two events, one on April 6, 2018 and the other on April 11, 2018.
- 4. By far the largest element of damages in PVF's claim is for lost profits. These kinds of damages are by their nature "soft" and speculative and cannot simply be taken at face value.

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- 5. I was authorized and directed to attempt to on behalf of PG&E to negotiate a settlement of PVF's claim, and to that end have communicated multiple times with PVF representatives by telephone, email and in person since May 7, 2019.
- 6. PG&E has been unable to reach a settlement of PVF's claims. A major impediment to resolution from PG&E's perspective has been the unwillingness or inability of PVF to provide sufficiently clear and detailed substantiation of PVF's claims. The parties also appear to have a fundamental disagreement about PG&E legal responsibility for the property damage on which PVF bases its claims.

Pursuant to 28 U.S.C. § 1746, I declare under the penalty of perjury that the foregoing is true and correct, and that this declaration is executed on July 26, 2019.